

COACHELLA VALLEY MOUNTAINS CONSERVANCY
Regular Meeting – September 12, 2011, 3:00 PM
73-710 Fred Waring Drive, Conference Room 115
Palm Desert, CA 92260

Tele-conference location:
State of California, Resources Agency
1416 Ninth St., Room 1305
Sacramento, CA 95814

AGENDA

1.0 Call to Order & Introductions

2.0 Approval of Minutes of July 11, 2011 meeting (See Attachment 1.)

3.0 Public Comments on Items Not on the Agenda

At this time any member of the public may address the Governing Board on any item not on the agenda. The Board cannot take action on an item not on the agenda, but it can place it on the agenda for a future meeting. For items on the agenda, there will be an opportunity to speak when that item is heard. The Chair may limit the time for each speaker. Any written material may be submitted to the person taking minutes.

4.0 Closed Session – No matters scheduled

Pursuant to Government Code sections 11126 (a)(1), 11126 (e)(1) and 11126.3(a) the Board may hold a closed session to discuss and take possible action on personnel matters and or receive advice of counsel on pending or potential litigation. In addition, pursuant to Government Code section 11126 (c) 7 (A) the Board may meet in closed session with its negotiator prior to the purchase or sale of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase or sale. Confidential memoranda related to these issues may be considered during such closed session discussions.

5.0 Action items – public hearing (If there is any member of the public who wishes to address the Governing Board before action is taken, testimony from the public should be taken prior to a vote.)

5.1 Resolution 2011-09 approving matching funds to the Wildlife Conservation Board for acquisition of approximately 59.68 acres in the Section 5 of the Santa Rosa Mountains alluvial fan for a USFWS Section 6 Peninsular bighorn sheep/Recovery Land Acquisition Habitat Protection Area grant (See Attachment 2.)

5.2 Resolution 2011-10 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 41.25 acres in the Hwy 111/I-10 Conservation Area (See Attachment 3.)

5.3 Resolution 2011-11 approving a local assistance grant to the Friends of the Desert Mountains for acquisition of approximately 10 acres in the Edom Hill Conservation Area (See Attachment 4.)

- 5.4 Resolution 2011-12 approving a local assistance grant to the Friends of the Desert Mountains for the Desert Ranch acquisition from the Trust for Public Lands of approximately 1825.78 acres in the Santa Rosa Mountains alluvial fan area (See Attachment 5.)

6.0 Reports

- 6.1 Written reports from staff (See Attachment 6.)
- 6.2 Board Member comments and reports from Conservancy member agencies. This is an opportunity for any of the Governing Board Members to present a report on matters of interest regarding the agency he or she represents.

7.0 Adjourn to the November 14, 2011 meeting

This agenda is available on our website at <http://www.cvmc.ca.gov>. Anyone with questions about any item on the agenda may contact the Conservancy at 73-710 Fred Waring Drive, Suite 205, Palm Desert, CA 92260. The phone number is (760) 776-5026.

ATTACHMENT 1 – September 12, 2011

COACHELLA VALLEY MOUNTAINS CONSERVANCY REGULAR MEETING 73-710 Fred Waring Drive, Suite 115 Palm Desert, California July 11, 2011 - 3:00 p.m.

Draft MINUTES

MEMBERS PRESENT:

John J. Benoit, Riverside County Supervisor, District IV
Jim Foote, U.S. Forest Service (non-voting)
John Kalish, Bureau of Land Management
Patrick Kemp, Natural Resources Agency
Eddy Konno, California Department of Fish and Game
William Kroonen, City of Palm Desert
Chris Mills, City of Palm Springs
Gordon Moller, City of Rancho Mirage
Al Muth, University of California
Paul Riesman, California State Parks
Larry Spicer, City of Indian Wells
Ellen Lloyd Trover, Senate Rules Committee Appointee – *Chairwoman*

MEMBERS ABSENT:

Buford Crites, State Assembly Appointee – *Vice-Chairman*
Karl Baker, City of Desert Hot Springs
John Donnelly, Wildlife Conservation Board
Kristy Franklin, City of La Quinta
Karin Messaros, National Park Service
Richard Milanovich, Agua Caliente Band of Cahuilla Indians
Pedro Reyes, Department of Finance
Joan Taylor, Governor's Appointee
Sam Toles, City of Cathedral City

STAFF PRESENT:

Kevin McKernan, Executive Director
Kerrie Godfrey, Staff Services Analyst

OTHERS PRESENT:

None

VACANT POSITIONS:

Vacant, Staff Environmental Scientist

1.0 Call to Order & Introductions

Chair Trover declared a quorum with 12 members present at 3:10 pm. John J. Benoit arrived at 3:15 and was not available to vote on the minutes.

2.0 Approval of Minutes of May 2011 meetings

Chair Trover asked if there were any additions or changes to the May 09, 2011 Minutes. Seeing none, a motion was made and seconded (Mills/Muth) to approve the Minutes. The motion was adopted by 11 members saying "Aye" in a unanimous vote.

3.0 Public Comments on Items Not on the Agenda

Chair Trover asked if there were any comments on any items not on the agenda. There were none.

4.0 Closed Session – No matters scheduled

Pursuant to Government Code sections 11126 (a)(1), 11126 (e)(1) and 11126.3(a) the Board may hold a closed session to discuss and take possible action on personnel matters and or receive advice of counsel on pending or potential litigation. In addition, pursuant to Government Code section 11126 (c) 7 (A) the Board may meet in closed session with its negotiator prior to the purchase or sale of real property by or for the state body to give instructions to its negotiator regarding the price and terms of payment for the purchase or sale. Confidential memoranda related to these issues may be considered during such closed session discussions.

5.0 Action Items - public hearing

5.1 Resolution 2011-07 expressing the Conservancy's appreciation of Ron Meepos' service to the Conservancy since 2002 until his passing in 2011.

Chair Trover explained that more than one Board Member has expressed a desire to honor Ron Meepos for his service to the Conservancy and the Coachella Valley. With Ron's many years of service on the Governing Board and his contributions in many other ways as an environmental leader and selfless, dedicated public servant in the Coachella Valley, the suggested dedication of a Conservancy Resolution for his family seems to be a very appropriate way to memorialize his service.

Chair Trover asked the board representative from the City of Rancho Mirage, Councilmember Gordon Moller, if he would like to say anything.

Gordon Moller expressed that he thought this resolution would be appreciated by Ron's family and he would like to be able to present it to them at the next City of Rancho Mirage Council Meeting.

Chair Trover asked if there were any other discussion on the item. Since there was none, she asked for a motion to memorialize Ron Meepos' service on the Conservancy Board. A motion was made and seconded (Moller/Kroonen) to adopt the motion. The motion passed by the unanimous vote of the 12 members present.

5.2 Resolution 2011-08 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 74 acres in the Edom Hill Conservation Area

Kevin McKernan explained that at its March meeting the Governing Board was briefed about the Edom Hill Conservation Area and the funding situation prior to the freeze on bond funds. Information about the appraisal process was also provided and subsequently grants were approved for the acquisition of 2 parcels in the Edom Hill area at this meeting. Since then, additional offer letters were mailed to willing sellers in the Edom Hill area, the Thermal Canyon area, and in a third area, Martinez Canyon, to continue acquisition projects that had begun before the bond freeze and which were part of the Conservancy's priority projects. He referred the board to the map in the agenda packet and noted the Friends has requested that the Conservancy approve a local assistance grant for five additional parcels consisting of approximately 74 acres in the Edom Hill area. These parcels belong to landowners who have been identified as willing sellers. The five parcels in the Edom Hill area would consolidate conservation ownership in a large portion of the Conservation Area.

Chair Trover asked if there were any other discussion on the item. Since there was none, she asked for a motion to approve the local assistance grant for acquisition of 74 acres in Edom Hill. A motion was made and seconded (Kroonen/Benoit) to adopt the motion. The motion passed by the unanimous vote of the 12 members present.

6.0 Reports

6.1 Written Reports.

Chair Trover asked if there were any discussion. Kevin McKernan introduced himself to the Board as the new Executive Director for the Conservancy. He briefly discussed his background and then he proceeded to provide the Board information about the new CVCC contract and the Conservancy's recent local assistance grant acquisition updates.

6.2 Board Member comments and reports from Conservancy member agencies. Chair Trover asked if there were any discussion. Supervisor Benoit spoke briefly about the State's financial situation and the possibility of adding the Conservancy to the most recent water bond legislation.

7.0 Adjourn to the September 12, 2011 meeting

A motion was made and seconded (Spicer/Mills) to adjourn the meeting. The meeting was adjourned without objection at 4:03 p.m.

ATTACHMENT 2 – September 12, 2011

- 5.1 Resolution 2011-09 approving matching funds to the Wildlife Conservation Board for acquisition of approximately 59.68 acres in the Section 5 of the Santa Rosa Mountains alluvial fan for a USFWS Section 6 Peninsular bighorn sheep/Recovery Land Acquisition Habitat Protection Area grant

BACKGROUND

The CVMC has been working closely with the USFWS and WCB/DFG to acquire land from willing sellers in Section 5, south of La Quinta, using three funding sources. Priorities for acquisition were established within the section through the PBS/RLA sub-grant from USFWS to WCB. This grant was scheduled to expire in September of this year with a remaining balance of \$240,000 unexpended, which would not bode well for future Section 6 RLA grant awards in our area. An extension was granted however, giving enough time to complete these important acquisitions. CVMC diligently pursued willing sellers in the priority 1 and 2 areas and received positive responses beyond the total remaining in the RLA grant. WCB had committed the required matching funds (see table below) for the original \$240,890, and CVMC made a commitment to use its bond funds, as outlined in its DOF/STO-approved bond project list, in the event that willing seller acquisition totals exceeded the above mentioned sources. CVMC has since identified willing seller acquisitions totaling approximately 60 acres, representing 6 parcels and four landowners, for a total purchase price of \$855,000. Due to this positive response, and the fact that USFWS is motivated to expend another 2009 HCP grant that is also in jeopardy of expiring, the Service has agreed to dedicate an additional amount beyond the original \$240,000 to complete the purchases. CVMC, in turn, has offered to provide the subsequent match amount above and beyond the original amount committed by WCB plus closing costs in the amount of \$177,000, pending board approval. DFG has agreed to take title to all of the properties. *These parcels have been previously identified and approved by the board, STO and DOF as outlined in CVMC's current project list. These parcels have also been appraised and received DGS approval.*

The table below shows the breakdown of funding contributions by entity.

USFWS, WCB/DFG, CVMC PBS Protection Project			Totals
Parcels Knight and Leonard =			375000
Sec. 6 (PBS)	240890	0.6	
WCB (30% match)	103239	0.3	
CVMC	30871		
subtotal	375000		
remaining obl.	0		
Second group of parcels from Riddle (former Travertine) +Jobe			480000
Sec. 6 (09')	336000	0.7	
CVMC (30% match)	144000	0.3	
subtotal	480000		
Summary			
Sec. 6 (PBS)	240890		
Sec. 6 (09')	336000		
WCB	103239		
CVMC	174871		
	855000		

STAFF RECOMMENDATION

Staff recommends approval of attached Resolution 2011-09.

**Santa Rosa Mountains
Peninsular Bighorn Sheep Protection Area Acquisitions
Agenda Item 5.1**



- Section 5 Santa Rosa Mtns PBS Protection Area Parcels
- Friends of the Desert Mountains
- Department of Fish and Game
- Bureau of Land Management



**RESOLUTION 2011-09 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
SEPTEMBER 12, 2011**

APPROVING MATCHING FUNDS TO THE WILDLIFE CONSERVATION BOARD FOR
ACQUISITION OF APPROXIMATELY 59.68 ACRES IN THE SECTION 5 OF THE SANTA
ROSA MOUNTAINS ALLUVIAL FAN FOR A USFWS SECTION 6 PENINSULAR
BIGHORN SHEEP/RECOVERY LAND ACQUISITION HABITAT PROTECTION AREA
GRANT

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, the Conservancy, in its working relationship with the Wildlife Conservation Board, a California State agency, has the ability to assign its funds to another state agency for the purposes of joint projects; and

WHEREAS, Assessor's Parcel Numbers 753-040-005, 753-040-015, 753-040-022, 753-050-017, 753-050-018, 753-050-024 comprising of 59.68 acres in unincorporated Riverside County in Section 5 of the Santa Rosa Mountains Peninsular bighorn sheep habitat protection area, contain important resource values including, sensitive species habitat, and scenic values; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, and the U.S. Fish and Wildlife Service, Wildlife Conservation Board, and the Coachella Valley Mountains Conservancy have agreed to the amounts that each entity is contributing to the project; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves the transfer of funds not to exceed \$177,000 to the Wildlife Conservation Board to assist with the acquisition; and

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 12th day of September 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Ellen Lloyd Trover, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 3 – September, 2011

- 5.2 Resolution 2011-10 approving a local assistance grant to the Friends of the Desert Mountains for the acquisition of approximately 41.25 acres in the HWY 111/I-10 Conservation Area

BACKGROUND

At its March meeting the Governing Board was briefed about the HWY 111/I-10 Conservation Area and the funding situation prior to the freeze on bond funds. Information about the appraisal process was also provided and subsequently grants were approved for the acquisition of 2 two parcels in the Edom Hill area at this meeting. Since then, additional offer letters were mailed to willing sellers in the Edom Hill area, the Thermal Canyon area, and HWY111/I-10, to continue acquisition projects that had begun before the bond freeze and which were part of the Conservancy's priority projects. As can be seen from the attached map, these will represent the first acquisitions in this Conservation Area, thus substantially helping to implement the MSHCP in this area of important wildlife corridors.

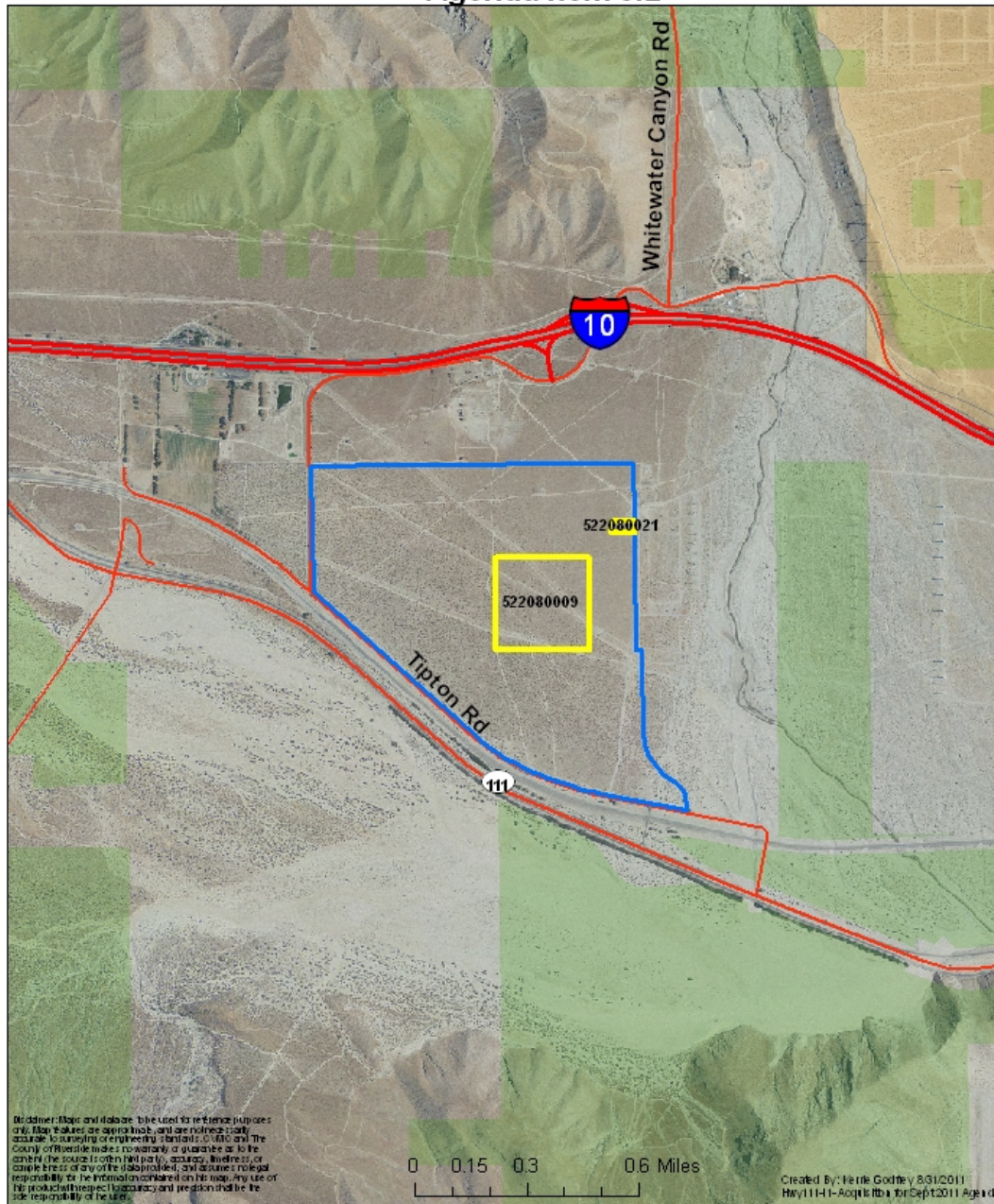
The Friends has requested that the Conservancy approve a local assistance grant for two parcels consisting of approximately 41.25 acres in the HWY111/I-10 area. These parcels belong to landowners who have been identified as willing sellers.

These parcels have been previously identified and approved by the board, STO and DOF as outlined in CVMC's current project list. These parcels have also been appraised using USPAP standards and the appraisal was reviewed and approved by an independent qualified appraiser.

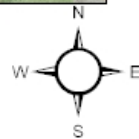
STAFF RECOMMENDATION

Staff recommends approval of the attached Resolution 2011-10.

Hwy 111- I/10 Conservation Area Acquisitions Agenda Item 5.2



- Hwy 111/I-10 Parcels -September 2011 Agenda
- Highway 111/I-10 Conservation Area
- Existing Conservation Land



**RESOLUTION 2011-10 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
SEPTEMBER 12, 2011**

**APPROVING A LOCAL ASSISTANCE GRANT TO THE FRIENDS OF THE DESERT
MOUNTAINS FOR THE PURCHASE OF LAND IN THE EDM HILL
CONSERVATION AREA**

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, Public Resources Code Section 33601(e) provides that the Conservancy may "in order to further the conservancy's purposes as set forth in Section 33501, award grants to cities, counties, resource conservation districts, or nonprofit organizations...."; and

WHEREAS, the Friends of the Desert Mountains ("Friends") is a nonprofit organization qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, and has as its purpose the acquisition and protection of land in the Coachella Valley area; and

WHEREAS, Assessor's Parcel Numbers 522-080-009 and 522-080-021 comprising of 41.25 acres in unincorporated Riverside County in the HWY 111/I-10 Conservation Area, contain important resource values including sand transport, sensitive species habitat, and scenic values; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, the Friends requests a local assistance grant not to exceed \$252,000 to purchase these properties, including the purchase price and transaction-related costs; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves a local assistance grant not to exceed \$252,000 to the Friends to assist with the acquisition; and

BE IT FURTHER resolved, that a condition of the grant is that the Friends shall enter into an Acquisition Grant Agreement with the Conservancy, which shall contain provisions requiring the following:

1. That the Friends will agree to defend, indemnify, and hold harmless the Conservancy and the State of California, its contractors, officers, directors, agents or employees against any and all claims, liability, demands, damages, debts, judgments, costs, or expenses, including reasonable attorney's fees, arising out of or in any way connected to the Grantee's actions, omissions, or other conduct relating in any way to this agreement and the Real Property, including, but not limited to, any such losses, damages, or expenses arising out of (a) loss of or damage to the Real Property, and (b) injury to or death of persons;
2. That the Friends shall execute and record a Notice of Unrecorded Grant Agreement and execute a Memorandum of Understanding with the Conservancy designed to assure that the properties acquired with the grant sum shall be protected, maintained, and managed consistent with the Conservancy's mission as defined in Public Resources Code Section 33501;
3. That the Friends must return all funds not used for the acquisition purpose described above no later than December 31, 2011, unless both parties mutually agree in writing to an extension;
4. That the Friends shall not convey title or any other interest in the properties acquired with the grant sum to any other person or entity without the express written approval of the Conservancy;
5. That upon the sale or conveyance of any interest in the property acquired with the grant sum, the Friends shall reimburse the Conservancy for the full amount of the grant sum unless the funds received from the sale or conveyance are less than the amount of the grant sum, whereupon the Friends shall provide the Conservancy with all funds obtained from the sale or conveyance less costs incurred by the Friends arising from the sale or conveyance;
6. That if the Friends ceases to exist as an organization or if the Friends materially breaches the grant agreement, title to the properties acquired with the grant sum shall automatically be conveyed to the State of California upon approval by the State Public Works Board;
7. That the Friends shall maintain accounting records of how the grant sum was spent for a period of three years and shall make such records available for inspection by the Conservancy or the Department of Finance upon request by either agency;
8. That the Conservancy shall review and approve all documents pertaining to the acquisition of the properties described above, including but not limited to title reports obtained by Friends prior to acquisition of said properties; and

9. That any unused grant funds must be returned to the Coachella Valley Mountains Conservancy, along with any accrued interest, not later than one month after the project completion date. Should interest be earned on the grant funds between their disbursement and expenditure for the purchase of the property, the interest may be applied toward the purchase price. Otherwise, any such interest must be paid to the Coachella Valley Mountains Conservancy. No revenue will be generated by Grantee from the property acquired with the grant funds.

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 12th day of September 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Ellen Lloyd Trover, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 4 – September, 2011

- 5.3 Resolution 2011-11 approving a local assistance grant to the Friends of the Desert Mountains for acquisition of approximately 10 acres in the Edom Hill Conservation Area

BACKGROUND

At its March meeting the Governing Board was briefed about the Edom Hill Conservation Area and the funding situation prior to the freeze on bond funds. Information about the appraisal process was also provided and subsequently grants were approved for the acquisition of one parcel in the Edom Hill area at this meeting. Since then, additional offer letters were mailed to willing sellers in the Edom Hill area, the Thermal Canyon area, and in a third area, HWY 111/I-10, to continue acquisition projects that had begun before the bond freeze and which were part of the Conservancy's priority projects. As can be seen from the attached map, the ongoing acquisition efforts in these areas have succeeded in acquiring the majority of this Conservation Area, thus substantially helping to implement the MSHCP in this area.

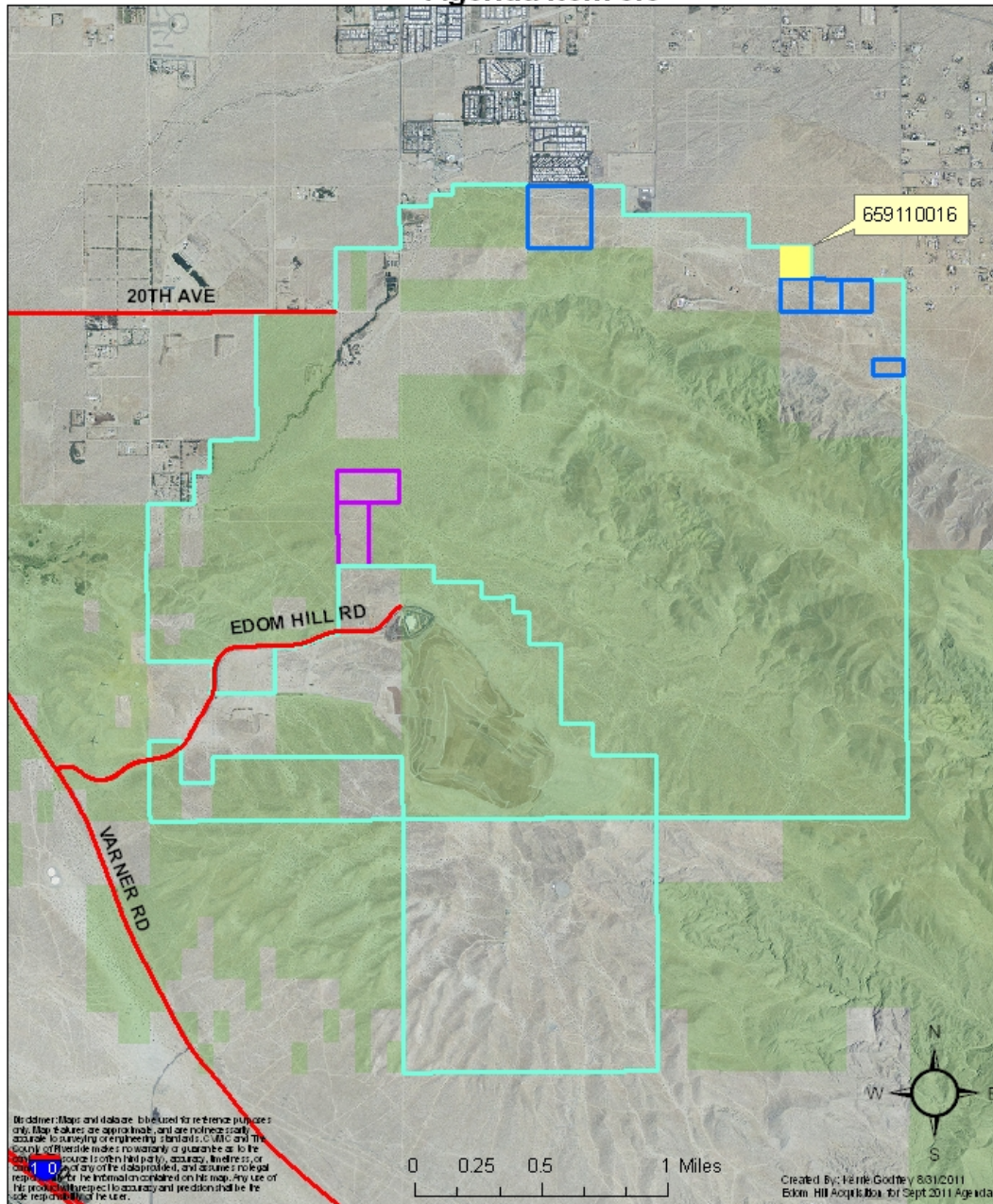
The Friends has requested that the Conservancy approve a local assistance grant for one additional parcel consisting of approximately 10 acres in the Edom Hill area. This parcel belongs to a landowner who has been identified as willing sellers.

These parcels have been previously identified and approved by the board, STO and DOF as outlined in CVMC's current project list. These parcels have also been appraised using USPAP standards and the appraisal was reviewed and approved by an independent qualified appraiser.

STAFF RECOMMENDATION

Staff recommends approval of the attached Resolution 2011-11.

Edom Hill Conservation Area Acquisitions Agenda Item 5.3



- Edom Hill Parcel September 2011 Agenda
- Edom Hill Parcels in Escrow
- Existing Conservation Land
- Recently Acquired Astleford Parcels
- Edom Hill Conservation Area Boundary

**RESOLUTION 2011-11 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
SEPTEMBER 12, 2011**

**APPROVING A LOCAL ASSISTANCE GRANT TO THE FRIENDS OF THE DESERT
MOUNTAINS FOR THE PURCHASE OF LAND IN THE EDM HILL
CONSERVATION AREA**

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, Public Resources Code Section 33601(e) provides that the Conservancy may "in order to further the conservancy's purposes as set forth in Section 33501, award grants to cities, counties, resource conservation districts, or nonprofit organizations...."; and

WHEREAS, the Friends of the Desert Mountains ("Friends") is a nonprofit organization qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, and has as its purpose the acquisition and protection of land in the Coachella Valley area; and

WHEREAS, Assessor's Parcel Numbers 659-110-016 comprising of 10.00 acres in unincorporated Riverside County in the Edom Hill Conservation Area, contain important resource values including sand transport, sensitive species habitat, and scenic values; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, the Friends requests a local assistance grant not to exceed \$81,000 to purchase these properties, including the purchase price and transaction-related costs; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves a local assistance grant not to exceed \$81,000 to the Friends to assist with the acquisition; and

BE IT FURTHER resolved, that a condition of the grant is that the Friends shall enter into an Acquisition Grant Agreement with the Conservancy, which shall contain provisions requiring the following:

1. That the Friends will agree to defend, indemnify, and hold harmless the Conservancy and the State of California, its contractors, officers, directors, agents or employees against any and all claims, liability, demands, damages, debts, judgments, costs, or expenses, including reasonable attorney's fees, arising out of or in any way connected to the Grantee's actions, omissions, or other conduct relating in any way to this agreement and the Real Property, including, but not limited to, any such losses, damages, or expenses

arising out of (a) loss of or damage to the Real Property, and (b) injury to or death of persons;

2. That the Friends shall execute and record a Notice of Unrecorded Grant Agreement and execute a Memorandum of Understanding with the Conservancy designed to assure that the properties acquired with the grant sum shall be protected, maintained, and managed consistent with the Conservancy's mission as defined in Public Resources Code Section 33501;
3. That the Friends must return all funds not used for the acquisition purpose described above no later than December 31, 2011, unless both parties mutually agree in writing to an extension;
4. That the Friends shall not convey title or any other interest in the properties acquired with the grant sum to any other person or entity without the express written approval of the Conservancy;
5. That upon the sale or conveyance of any interest in the property acquired with the grant sum, the Friends shall reimburse the Conservancy for the full amount of the grant sum unless the funds received from the sale or conveyance are less than the amount of the grant sum, whereupon the Friends shall provide the Conservancy with all funds obtained from the sale or conveyance less costs incurred by the Friends arising from the sale or conveyance;
6. That if the Friends ceases to exist as an organization or if the Friends materially breaches the grant agreement, title to the properties acquired with the grant sum shall automatically be conveyed to the State of California upon approval by the State Public Works Board;
7. That the Friends shall maintain accounting records of how the grant sum was spent for a period of three years and shall make such records available for inspection by the Conservancy or the Department of Finance upon request by either agency;
8. That the Conservancy shall review and approve all documents pertaining to the acquisition of the properties described above, including but not limited to title reports obtained by Friends prior to acquisition of said properties; and
9. That any unused grant funds must be returned to the Coachella Valley Mountains Conservancy, along with any accrued interest, not later than one month after the project completion date. Should interest be earned on the grant funds between their disbursement and expenditure for the purchase of the property, the interest may be applied toward the purchase price. Otherwise, any such interest must be paid to the Coachella Valley Mountains Conservancy. No revenue will be generated by Grantee from the property acquired with the grant funds.

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 12th day of September 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Ellen Lloyd Trover, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 5 – September, 2011

- 5.4 Resolution 2011-12 approving a local assistance grant to the Friends of the Desert Mountains for the Desert Ranch acquisition from the Trust for Public Lands of approximately 1825.78 acres in the Santa Rosa Mountains alluvial fan area

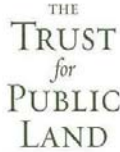
BACKGROUND

The board was briefed on and approved a motion expressing a high priority in protecting the alluvial fans of the Santa Rosa Mountains at the May 9, 2011 board meeting. CVMC participation in acquisitions in the area, dates back to Su Hai (a 5,400 acre partnership acquisition among BLM, WCB, and CVMC in 2003), plus two grants to Friends for acquisitions in Sections 25 and 27, and last year's LOH property acquisition in Sections 7 and 8 by BLM, WCB, and CVMC (matching funds for section 6 grant). With the acquisition from TPL, and subsequent acquisition by the Friends through a local assistance grant, approximately 90% of the total conservation needs in that area will be completed.

Trust for Public Lands (TPL) has now purchased the 1342 acre property in portions of sections 16, 22 and 26 (Santa Rosa Mountains alluvial fan) and another 483 acres near the Dunn Road in the Monument from Desert Ranch L.L.C. (a.k.a. Timothy Blixseth). TPL acquired these important properties subject to a purchase agreement entered into with the Friends of the Desert Mountains contingent upon receiving CVMC grant funding. The property closed in two phases in July and August of 2011 and TPL subsequently commissioned an appraisal of the properties which established a fair market value of \$3,340,000. The appraisal was independently reviewed by another qualified appraiser for USPAP compliance and DGS standards and was found to adequately support the fair market value conclusion. An independent appraiser was chose due to the time sensitive nature of this acquisition. DGS had informed the Conservancy that their review time would likely take 60 to 90 days. The requested CVMC grant amount from the Friends per their purchase agreement is \$2,937,762 plus closing costs for a total \$2,944,900, substantially LESS than the appraised value. This purchase price reflects the same price per acre recently approved by DGS for a nearly identical set of properties in the vicinity in late 2010 (LOH Investment Limited Partnership). TPL's commitment to move quickly on this acquisition was entirely based upon the Friends' and CVMC's commitment to acquire the properties from TPL in an expeditious manner (see attached letter).

STAFF RECOMMENDATION

Staff recommends approval of the attached Resolution 2011-12.



August 16, 2011



Kevin McKernan, Executive Director
Coachella Valley Mountains Conservancy
73-710 Fred Waring Drive, Suite 205
Palm Desert, CA 92260

Western Division
101 Montgomery St.
Suite 1100
San Francisco, CA
94104

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F. (415) 495-0541
www.tpl.org

RE: Lake Cahuilla Shoreline

Dear Kevin:

First off, congratulations and welcome to your new post. It's been a pleasure for us to work with Bill and now you on this high-priority acquisition.

My purpose in writing is to convey our great appreciation for your and Bill's help and cooperation in trying to get the appraisal reviewed and approved in time for CVMC's September board meeting. As you know, TPL's board agreed in June to step forward and buy the property at the request of CVMC and the Friends of the Desert Mountains because of the very high cultural and natural resource values of this property and unique opportunity to finally secure the property provided that we acted quickly. Our board's willingness to proceed and take significant capital and legal risks was based in substantial part on assurances that CVMC and the Friends would do their utmost to secure a Prop. 84 grant from CVMC to enable the Friends to purchase the property from TPL as soon as absolutely possible.

A swift turnaround was - and remains - essential: we need to minimize our debt service costs (TPL had to borrow to buy the property), curtail our legal risks and financial liabilities as an absentee owner, and restore our interim capital capacity to use for pending acquisitions elsewhere. For these reasons, and given CVMC's bi-monthly meeting schedule, it is extremely important to us that this item be on the September agenda.

Again, we are very grateful for the extra effort you and Bill are making to meet this urgent timeline. If there's anything further that we can do on our end to make this happen, you and Bill know that you can email or call me or Bob Flewelling any time and your request will be our top priority.

Sincerely,

Brent Handley
Western Division Transaction Director
The Trust for Public Land

cc: Bill Havert, FODM



**TPL Desert Ranch Acquisition Project
Agenda Item 5.4**



- TPL Desert Ranch Acquisition Parcels
- Santa Rosa and San Jacinto National Monument



**RESOLUTION 2011-12 OF THE GOVERNING BOARD OF THE
COACHELLA VALLEY MOUNTAINS CONSERVANCY
ADOPTED IN REGULAR SESSION
SEPTEMBER 12, 2011**

**APPROVING A LOCAL ASSISTANCE GRANT TO THE FRIENDS OF THE DESERT
MOUNTAINS FOR THE PURCHASE OF LAND IN THE SANTA ROSA MOUNTAINS
ALLUVIAL FAN AREA**

WHEREAS, Public Resources Code Section 33501 created the Coachella Valley Mountains Conservancy for the purpose, among other things, of acquiring and holding, in perpetual open space, mountainous lands surrounding the Coachella Valley and natural community conservation lands, upon approval of a Natural Community Conservation Plan, for the protection of natural and cultural resources and the public's enjoyment thereof; and

WHEREAS, Public Resources Code Section 33601(e) provides that the Conservancy may "in order to further the conservancy's purposes as set forth in Section 33501, award grants to cities, counties, resource conservation districts, or nonprofit organizations...."; and

WHEREAS, the Friends of the Desert Mountains ("Friends") is a nonprofit organization qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, and has as its purpose the acquisition and protection of land in the Coachella Valley area; and

WHEREAS, Assessor's Parcel Numbers 755-200-008, 009, 003, 004; 755-220-008; 755-290-013, 018, 21; 686-120-012; 635-030-013 comprising of 1825.78 acres in unincorporated Riverside County in the Alluvial fans of the Santa Rosa Mountains, contain important resource values including, sensitive species habitat, and scenic values; and

WHEREAS, it is in furtherance of the Conservancy's purposes as established in Public Resources Code Section 33501 to protect this area; and

WHEREAS, the Friends requests a local assistance grant not to exceed \$2,944,900 to purchase these properties, including the purchase price and transaction-related costs; and

WHEREAS, this acquisition is exempt from further CEQA review pursuant to sections 15061 (b) (3), 15313, 15316, and 15325 of the Code of Regulations, Title 14;

NOW, THEREFORE, be it resolved in regular session of the Governing Board of the Coachella Valley Mountains Conservancy that the Board approves a local assistance grant not to exceed \$2,944,900 to the Friends to assist with the acquisition; and

BE IT FURTHER resolved, that a condition of the grant is that the Friends shall enter into an Acquisition Grant Agreement with the Conservancy, which shall contain provisions requiring the following:

1. That the Friends will agree to defend, indemnify, and hold harmless the Conservancy and the State of California, its contractors, officers, directors, agents or employees against any and all claims, liability, demands, damages, debts, judgments, costs, or expenses, including reasonable attorney's fees, arising out of or in any way connected to the Grantee's actions, omissions, or other conduct relating in any way to this agreement and the Real Property, including, but not limited to, any such losses, damages, or expenses arising out of (a) loss of or damage to the Real Property, and (b) injury to or death of persons;
2. That the Friends shall execute and record a Notice of Unrecorded Grant Agreement and execute a Memorandum of Understanding with the Conservancy designed to assure that the properties acquired with the grant sum shall be protected, maintained, and managed consistent with the Conservancy's mission as defined in Public Resources Code Section 33501;
3. That the Friends must return all funds not used for the acquisition purpose described above no later than March 31, 2012, unless both parties mutually agree in writing to an extension;
4. That the Friends shall not convey title or any other interest in the properties acquired with the grant sum to any other person or entity without the express written approval of the Conservancy;
5. That upon the sale or conveyance of any interest in the property acquired with the grant sum, the Friends shall reimburse the Conservancy for the full amount of the grant sum unless the funds received from the sale or conveyance are less than the amount of the grant sum, whereupon the Friends shall provide the Conservancy with all funds obtained from the sale or conveyance less costs incurred by the Friends arising from the sale or conveyance;
6. That if the Friends ceases to exist as an organization or if the Friends materially breaches the grant agreement, title to the properties acquired with the grant sum shall automatically be conveyed to the State of California upon approval by the State Public Works Board;
7. That the Friends shall maintain accounting records of how the grant sum was spent for a period of three years and shall make such records available for inspection by the Conservancy or the Department of Finance upon request by either agency;
8. That the Conservancy shall review and approve all documents pertaining to the acquisition of the properties described above, including but not limited to title reports obtained by Friends prior to acquisition of said properties; and

9. That any unused grant funds must be returned to the Coachella Valley Mountains Conservancy, along with any accrued interest, not later than one month after the project completion date. Should interest be earned on the grant funds between their disbursement and expenditure for the purchase of the property, the interest may be applied toward the purchase price. Otherwise, any such interest must be paid to the Coachella Valley Mountains Conservancy. No revenue will be generated by Grantee from the property acquired with the grant funds.

BE IT FURTHER resolved that the Board hereby authorizes its Chairperson, or in his absence the Executive Director, to execute any and all documents necessary to effect the grant.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Coachella Valley Mountains Conservancy Governing Board, held on this 12th day of September 2011, by the following vote, to wit:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Ellen Lloyd Trover, Chairman
Coachella Valley Mountains Conservancy

ATTACHMENT 6 – SEPTEMBER 12, 2011

Agenda Item 6.1 Written Reports from Staff

Acquisition updates:

The following projects have closed since the board last met or are in the final stages as indicated below:

Astleford – APNs 659-130-011 and 013, 40 acres in the Edom Hill Conservation Area –Grant amount \$351, 000, closed on June 30, 2011.

Stubbe/Wilkinson – APN: 520-060-014, 2.5 acres in the San Jacinto-San Bernardino Mountains Wildlife Movement Corridor – Grant amount \$20,000, in escrow; still working on a title issue requiring an affidavit regarding real property of small value that has not been filed yet.

Edom Hill Parcels - APN's: 659-090-008, 659-110-017, 659-110-025, 659-160-016 approximately 65 acres in the Edom Hill Conservation area – Grant amount \$491,852, in escrow, expected to close in early September. APN 659-110-019 is also in escrow but, currently has a title issue that should be cleared up soon.

Conservancy staff has continued to assist the Coachella Valley Conservation Commission (CVCC) with its acquisition program in our capacity as its Acquisitions Manager. The property that was funded through an Environmental Enhancement Mitigation grant prepared by the Conservancy for the CVCC and a Cooperative Endangered Species Conservation Fund Subgrant closed on August 24, 2011.

We are also preparing the current year EEM grant application for the Date Palm Interchange Project which will consist of the acquisition of 5 parcels in the Willow Hole Conservation Area.

Bond Fund Remaining Balance:

<u>Sale-Fund</u>	<u>Total Authority</u>	<u>BOND SALE FUND Balance</u>
BAB APRIL 2009 Sale	470,404.58	-
Aug 09 - Commercial Paper Sale	28,000.00	-
Non BAB TE- October 09 Sale	295,018.82	23.48
TE March 2010 Sale	3,476,830.27	2,782,947.75
BAB March 2010 Sale	3,004,905.84	542,619.00
BAB December 2010 Sale	3,075,703.10	3,075,703.10
Abatement Account	1,277,708.00	359,005.50
TE December 2010 Sale	1,124,513.41	1,124,513.41
	\$12,753,084.02	\$7,884,812.24

Trip to Sacramento: In August, both Kevin and Kerrie traveled to Sacramento to attend the Department of Finance FY 12-13 budget training. This trip was also an opportunity for Kevin to meet and introduce himself to several key people at the Department of Finance, Natural Resources Agency, Department of Parks and Recreation and the Wildlife Conservation Board. The discussion topics included Conservancy related budget and bond funding issues.